

## AMENDMENTS TO THE CLAIMS:

This listing of claims will replace all prior versions, and listings, of claims in the application.

### Listing Of Claims:

1. (Currently Amended) A method implemented by a programmed computer system for ~~characterizing a capital structure of an entity in connection with a cost of a selected debt/equity ratio relative to a risk associated with the selected debt/equity ratio, which method comprises~~ comprising the steps of:

iteratively changing a value of a debt/equity ratio associated with the an entity;

calculating values of earnings per share associated with the entity based at least in part upon the iteratively changed values of the debt/equity ratio associated with the entity;

calculating values of earnings per share risk associated with the entity based at least in part upon the iteratively changed values of the debt/equity ratio associated with the entity; and

recording the calculated earnings per share values associated with the entity and the calculated earnings per share risk values associated with the entity;

wherein the recorded calculated earnings per share values associated with the entity and the recorded calculated earnings per share risk values associated with the entity characterize a capital structure of the entity in connection with a cost to the entity of a selected debt/equity ratio relative to a risk associated with the selected debt/equity ratio.

2. (Original) The method of claim 1, wherein the entity is a public corporation.

3. (Original) The method of claim 2, wherein at least one of the calculated earnings per share values and the calculated earnings per share risk values is applied to a financial presentation relating to at least one of a balance sheet and an earnings per share metric.

4. (Original) The method of claim 1, wherein the iterations and calculations are carried out at least in part using a Monte Carlo simulation.

5. (Original) The method of claim 1, wherein the outputted calculated earnings per share values and the outputted calculated earnings per share risk values are plotted against one another.

6. (Original) The method of claim 5, wherein the plot of calculated earnings per share values versus calculated earnings per share risk values is credit adjusted.

7. (Currently Amended) The method of claim 1, further comprising:

inputting data associated with the entity including a number of common shares outstanding, a value of earnings, a value of dividends per share, a change in the effective number of common shares outstanding, which change in the effective number of common shares outstanding reflects the possibility, based upon an economically reasonable analysis in light of market conditions, of conversion of a convertible security<sub>i</sub>, and a value of coupon payments; wherein each value of earnings per share is calculated at least in part using the formula:

$$EPS = DPS_0 + \frac{Earnings_0 - N_o \times DPS_0 - Coupon}{N_o + \Delta N_{eff}},$$

wherein:

i)  $Earnings_0$  equals the input value of earnings,

ii)  $N_o$  equals the input number of common shares outstanding,

iii)  $DPS_0$  equals the input value of dividends per share,

iv) Coupon equals the input value of coupon payments, and

v)  $\Delta N_{eff}$  equals the input change in the effective number of common shares outstanding,

based at least in part upon each of a plurality of iteratively changed values of stock price associated with the entity.

8. (Original) The method of claim 7, wherein the economically reasonable analysis in light of market conditions takes into account a conversion premium associated with the convertible security.

9. (Currently Amended) The method of claim 1, further comprising:

inputting data associated with the entity including a number of existing shares, a value of earnings, a value of an equity dividend, a value of an attributed after-tax interest expense from a convertible security, and a number of attributed shares from the convertible security, which number of attributed shares reflects the possibility, based upon an economically reasonable analysis in light of market conditions, of conversion of the convertible security;

wherein each value of earnings per share is calculated at least in part using the formula;

$$EPS = dividend\ per\ share + retained\ EPS;$$

wherein dividend per share = the value of the equity dividend / the number of existing shares; and

wherein retained EPS = (the value of earnings without taking effect of any interest expense from the convertible security minus attributed after-tax interest expense from the convertible security) / (the number of existing shares plus the number of attributed shares from the convertible security).

10. (Original) The method of claim 9, wherein the economically reasonable analysis in light of market conditions takes into account a conversion premium associated with the convertible security.